

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

EXPERIMENTAL "RIDE-ALONG"  
CLASSIFICATION CHANGE FOR PERIODICALS, 1999

Docket No. MC00-1

**STIPULATION AND AGREEMENT**

This Stipulation and Agreement is submitted pursuant to Rule 29 of the Rules of Practice and Procedure of the Postal Rate Commission, 39 C.F.R. § 3001.29, by and between the undersigned parties or through their respective attorneys. It is a negotiated settlement of all issues raised in the above-captioned docket. The undersigned parties hereby stipulate and agree to the following:

**I. BACKGROUND**

On September 27, 1999, pursuant to 39 U.S.C. § 3623, the United States Postal Service filed with the Postal Rate Commission a request for a decision recommending an experimental "ride-along" classification change for Periodicals. The request was designated as Docket No. MC00-1 by the Commission. The basis for the request is explained in the Docket No. MC00-1 direct testimonies of Postal Service witness Altaf Taufique (USPS-T-1) and Periodicals industry witness Howard Schwartz (USPS-T-2).

**II. TERMS AND CONDITIONS**

1. This Stipulation and Agreement represents a negotiated settlement of all issues raised by the Docket No. MC00-1 Request of the United States Postal Service

for an expedited recommended decision on an experimental "ride-along" classification change for Periodicals.

2. The undersigned parties agree, for purposes of this proceeding only, that the Docket No. MC00-1 direct testimonies of Postal Service witness Altaf Taufique (USPS-T-1) and Periodicals industry witness Howard Schwartz (USPS-T-2) should be entered into the evidentiary record in this proceeding. These testimonies, together with the Postal Service's Docket No. MC00-1 Request and the attachments thereto, provide sufficient reasons and substantial evidence justifying a decision recommending the experimental change to the Domestic Mail Classification Schedule (DMCS) § 443 and Rate Schedules 421, 423.3, 423.4, and 423.2 proposed by the Postal Service in Docket No. MC00-1, which is attached to this Stipulation and Agreement. The undersigned parties stipulate that any of the aforementioned materials not heretofore entered into the Docket No. MC00-1 evidentiary record be so entered.

3. On the basis of such record, for purposes of this proceeding only, the undersigned parties stipulate that the experimental DMCS and Rate Schedule changes set forth in the Attachment to this Stipulation and Agreement is in accordance with the policies of title 39, United States Code, and in particular, the criteria and factors of 39 U.S.C. § 3622 and 3623.

4. This Stipulation and Agreement is offered in total and final settlement of this proceeding. The undersigned parties agree that they will file no further pleadings or testimony with the Commission in this proceeding, with the exception of: (a) pleadings or testimony explicitly requested by the Commission or in reply to such pleadings; (b)

pleadings or testimony opposing pleadings or testimony filed in opposition to this Stipulation and Agreement; or (c) pleadings, testimony or comments in support of this Stipulation and Agreement.

5. If the Commission adopts a Recommended Decision that deviates from the experimental classification and rate proposed in this Stipulation and Agreement, or if the Governors of the Postal Service fail to approve the Commission's Recommended Decision adopting the experimental classification and rate as proposed by the Postal Service, then each signatory reserves the right to withdraw from this Stipulation and Agreement. Any signatory withdrawing under the terms of this paragraph must provide written notice of this fact to all parties within five (5) business days of the occurrence of the specific event giving rise to the right to withdraw. Any exercise of such right by one or more signatories shall not affect the operation of this Stipulation and Agreement as to other signatories.

6. This Stipulation and Agreement pertains only to the instant proceeding. The parties shall not be considered as necessarily agreeing with or conceding the applicability of any principle, or any method of classification or terms and conditions of service, or any method of ratemaking or cost of service determination, or design of rate or fee schedule or terms and conditions of service, or the application of any rule or interpretation of law, that may underlie, or be thought to underlie, this Stipulation and Agreement.

7. In any future negotiation or proceeding (other than any proceedings involving the honoring, enforcement, or construction of this Stipulation and Agreement), the

parties shall not be bound or prejudiced by this Stipulation and Agreement, nor shall any party rely for any purpose on the fact that another party entered into or did not oppose this Stipulation and Agreement. The undersigned parties also agree that, to the extent that matters presented in the Docket No. MC00-1 Request, in any Commission Recommended Decision on that Request, or in any decision of the Governors of the Postal Service in this proceeding have not actually been litigated, the resolution of such matters will not be entitled to precedential effect in any other proceeding.

8. As fully stated above, the agreement of the parties is intended to relate exclusively to the specific experimental "ride-along" classification and rate changes for Periodicals reflected in the proposed experimental DMCS and Rate Schedule provisions attached hereto, and is not intended to bind or prejudice the parties in any other proceeding. This understanding of the intended consequences of the agreement applies equally to all constituent parts of the agreement.

9. The undersigned parties request that the Commission expeditiously issue a decision recommending adoption of the experimental DMCS and Rate Schedule provisions appended to this Stipulation and Agreement.

10. This Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

\* Signature pages are attached.

Docket No. MC00-1

**PROPOSED DOMESTIC MAIL CLASSIFICATION SCHEDULE CHANGES**

**443 Attachments and Enclosures**

**443.1. General.**

\* \* \* \*

443.1a "Ride-Along" Attachments and Enclosures. A limit of one Standard Mail piece, not exceeding the weight of the host copy and weighing a maximum of 3.3 ounces, from any of the subclasses listed in section 321 (Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route) may be attached to or enclosed with an individual copy of Periodicals Mail for an additional postage payment of ten cents. Periodicals containing "Ride-Along" attachments or enclosures must maintain uniform thickness as specified by the Postal Service. The Periodicals piece with the "Ride-Along" must maintain the same shape and automation compatibility as it had before addition of the "Ride-Along" attachment or enclosure and meet other preparation requirements as specified by the Postal Service.

Docket No. MC00-1

***PROPOSED RATE SCHEDULE CHANGES***

**PERIODICALS  
RATE SCHEDULE 421  
Regular Subclass<sup>1, 2, 12</sup>**

	<b>Postage Rate Unit</b>	<b>Rate<sup>3</sup> (cents)</b>
Nonadvertising Portion:	Pound	16.1
Advertising Portion: <sup>11</sup>		
Delivery Office <sup>4</sup>	Pound	15.5
SCF <sup>5</sup>	Pound	17.8
1&2	Pound	21.5
3	Pound	22.9
4	Pound	26.3
5	Pound	31.6
6	Pound	37.1
7	Pound	43.8
8	Pound	49.5
Science of Agriculture		
Delivery Office	Pound	11.6
SCF	Pound	13.3
Zones 1&2	Pound	16.1
Less Nonadvertising Factor <sup>6</sup>		5.9

Required Preparation <sup>7</sup>	Piece	29.4
Presorted to 3-digit	Piece	25.3
Presorted to 5-digit	Piece	19.7
Presorted to Carrier Route	Piece	12.2
Discounts:		
Prepared to Delivery Office <sup>4</sup>	Piece	1.3
Prepared to SCF <sup>5</sup>	Piece	0.7
High Density <sup>8</sup>	Piece	1.9
Saturation <sup>9</sup>	Piece	3.7
Automation Discounts for Automation Compatible Mail <sup>10</sup>		
From Required:		
Prebarcoded letter size	Piece	6.2
Prebarcoded flats	Piece	4.6
From 3-Digit:		
Prebarcoded letter size	Piece	4.7
Prebarcoded flats	Piece	3.9
From 5-Digit:		
Prebarcoded letter size	Piece	3.5
Prebarcoded flats	Piece	2.9



## **SCHEDULE 421 NOTES**

1. The rates in this schedule also apply to commingled nonsubscriber, non-requester, complimentary, and sample copies in excess of 10 percent allowance in regular-rate, non-profit, and classroom periodicals.
2. Rates do not apply to otherwise regular rate mail that qualifies for the Within County rates in Schedule 423.2.
3. Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising portion and the advertising portion, as applicable.
4. Applies to carrier route (including high density and saturation) mail delivered within the delivery area of the originating post office.
5. Applies to mail delivered within the SCF area of the originating SCF office.
6. For postage calculations, multiply the proportion of nonadvertising content by this factor and subtract from the applicable piece rate.
7. Mail not eligible for carrier-route, 5-digit or 3-digit rates.
8. Applicable to high density mail, deducted from carrier route presort rate.
9. Applicable to saturation mail, deducted from carrier route presort rate.
10. For automation compatible mail meeting applicable Postal Service regulations.
11. Not applicable to qualifying Nonprofit and Classroom publications containing 10 percent or less advertising content.
12. For a "Ride-Along" item enclosed with or attached to a periodical, add \$0.10 per copy (experimental).

**PERIODICALS****RATE SCHEDULE 423.3<sup>11</sup>****PUBLICATIONS OF AUTHORIZED NONPROFIT ORGANIZATIONS<sup>10</sup>  
(FULL RATES)**

	<b>Postage Rate Unit</b>	<b>Rate<sup>1</sup> (cents)</b>
<b>Per Pound</b>		
Nonadvertising portion:	Pound	15.6
Advertising portion: <sup>9</sup>		
Delivery Office <sup>2</sup>	Pound	15.5
SCF <sup>3</sup>	Pound	17.8
1&2	Pound	21.5
3	Pound	22.9
4	Pound	26.3
5	Pound	31.6
6	Pound	37.1
7	Pound	43.8
8	Pound	49.5
<b>Per Piece</b>		
Less Nonadvertising Factor <sup>4</sup>		4.4
Required Preparation <sup>5</sup>	Piece	25.1
Presorted to 3-digit	Piece	20.8
Presorted to 5-digit	Piece	18.3
Presorted to Carrier Route	Piece	11.3

Discounts:

Prepared to Delivery Office <sup>2</sup>	Piece	0.7
Prepared to SCF <sup>3</sup>	Piece	0.4
High Density (formerly 125-Piece) <sup>6</sup>	Piece	1.9
Saturation <sup>7</sup>	Piece	3.7

Automation Discounts for Automation  
Compatible Mail<sup>8</sup>

From Required:

Prebarcoded letter size	Piece	6.2
Prebarcoded flats	Piece	4.6

From 3-Digit:

Prebarcoded letter size	Piece	4.7
Prebarcoded flats	Piece	2.4

From 5-Digit:

Prebarcoded letter size	Piece	3.5
Prebarcoded flats	Piece	2.1

### **SCHEDULE 423.3 NOTES**

1. Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising portion and the advertising portion, as applicable.
2. Applies to carrier route (including high density and saturation) mail delivered within the delivery area of the originating post office.
3. Applies to mail delivered within the SCF area of the originating SCF office.
4. For postage calculation, multiply the proportion of nonadvertising content by this factor and subtract from the applicable piece rate.
5. Mail not eligible for carrier route, 5-digit or 3-digit rates.
6. Applicable to high density mail, deducted from carrier route presort rate.
7. Applicable to saturation mail, deducted from carrier route presort rate.
8. For automation compatible mail meeting applicable Postal Service regulations.
9. Not applicable to publications containing 10 percent or less advertising content.
10. If qualified, nonprofit publications may use Within County rates for applicable portions of a mailing.
11. For a "Ride-Along" item enclosed with or attached to a periodical, add \$0.10 per copy (experimental).

**PERIODICALS****RATE SCHEDULE 423.4****CLASSROOM PUBLICATIONS<sup>10,11</sup>  
(Full Rates)**

	<b>Postage Rate Uni</b>	<b>Rate<sup>1</sup> (cents)</b>
<b>Per Pound</b>		
Nonadvertising Portion:	Pound	15.6
Advertising Portion: <sup>9</sup>		
Delivery Office <sup>2</sup>	Pound	15.5
SCF <sup>3</sup>	Pound	17.8
1&2	Pound	21.5
3	Pound	22.9
4	Pound	26.3
5	Pound	31.6
6	Pound	37.1
7	Pound	43.8
8	Pound	49.5
<b>Per Piece</b>		
Less Nonadvertising Factor <sup>4</sup>		4.4
Required Preparation <sup>5</sup>	Piece	25.1
Presorted to 3-digit	Piece	20.8
Presorted to 5-digit	Piece	18.3

Presorted to Carrier Route	Piece	11.3
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Discounts:

Prepared to Delivery Office <sup>2</sup>	Piece	0.7
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Prepared to SCF	Piece	0.4
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High Density (formerly 125-Piece) <sup>6</sup>	Piece	1.9
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Saturation <sup>7</sup>	Piece	3.7
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Automation Discounts for Automation  
Compatible Mail<sup>8</sup>

From Required:

Prebarcoded Letter size	Piece	6.2
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Prebarcoded Flats	Piece	4.6
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From 3-Digit:

Prebarcoded Letter size	Piece	4.7
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Prebarcoded Flats	Piece	2.4
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From 5-Digit:

Prebarcoded Letter size	Piece	3.5
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Prebarcoded Flats	Piece	2.1
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### **SCHEDULE 423.4 NOTES**

1. Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising portion and the advertising portion, as applicable.
2. Applies to carrier route (including 125-piece walk sequence and saturation) mail delivered within the delivery area of the originating post office.
3. Applies to mail delivered within the SCF area of the originating SCF office.
4. For postage calculation, multiply the proportion of nonadvertising content by this factor and subtract from the applicable piece rate.
5. Mail not eligible for carrier route, 5-digit, or 3-digit rates.
6. For walk sequenced mail in batches of 125 pieces or more from carrier route presorted mail.
7. Applicable to saturation mail; deducted from carrier route presort rate.
8. For automation compatible mail meeting applicable Postal Service regulations.
9. Not applicable to publications containing 10 percent or less of advertising content.
10. If qualified, classroom publications may use Within County rates for applicable portions of a mailing.
11. For a "Ride-Along" item enclosed with or attached to a periodical, add \$0.10 per copy (experimental).

**PERIODICALS  
RATE SCHEDULE 423.2<sup>5</sup>**

**WITHIN COUNTY  
(Full Rates)**

	<b>Rate (cents)</b>
<b>Per Pound</b>	
General	13.3
Delivery Office <sup>1</sup>	10.7
<b>Per Piece</b>	
Required Presort	9.5
Presorted to 3-digit	8.8
Presorted to 5-digit	8.0
Carrier Route Presort	4.3
<b>Per Piece Discount</b>	
Delivery Office <sup>2</sup>	0.4
High Density (formerly 125 piece) <sup>3</sup>	1.4
Saturation	1.8
Automation Discounts for Automation Compatible Mail <sup>4</sup>	
From Required:	
Prebarcoded Letter size	4.9
Prebarcoded Flat size	3.0
From 3-digit:	
Prebarcoded Letter size	4.4
Prebarcoded Flat size	2.6
From 5-digit:	
Prebarcoded Letter size	3.9
Prebarcoded Flat size	2.2



## **SCHEDULE 432.2 NOTES**

1. Applicable only to carrier route (including high density and saturation) presorted pieces to be delivered within the delivery area of the originating post office.
2. Applicable only to carrier presorted pieces to be delivered within the delivery area of the originating post office.
3. Applicable to high density mail, deducted from carrier route presort rate. Mailers also may qualify for this discount on an alternative basis as provided in DMCS section 423.83.
4. For automation compatible pieces meeting applicable Postal Service regulations.
5. For a "Ride-Along" item enclosed with or attached to a periodical, add \$0.10 per copy (experimental).

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CLASSIFICATION CHANGE FOR PERIODICALS, 1999

Docket No. MC00-1

**SIGNATURE PAGE FOR STIPULATION AND AGREEMENT**

\_\_\_\_\_  
Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking  
United States Postal Service

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Date

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\_\_\_\_\_  
Name of Intervenor

\_\_\_\_\_  
Date

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[Signature of Representative]